

**F5, Inc.**  
**Consolidated Income Statements**  
(unaudited, in thousands, except per share amounts)

	Three Months Ended December 31,	
	2021	2020
Net revenues		
Products (1).....	\$ 343,149	\$ 288,045
Services.....	343,951	336,572
Total.....	<u>687,100</u>	<u>624,617</u>
Cost of net revenues (2)(3)(4)(5)		
Products.....	81,662	67,038
Services.....	53,411	47,941
Total.....	<u>135,073</u>	<u>114,979</u>
Gross profit.....	<u>552,027</u>	<u>509,638</u>
Operating expenses (2)(3)(4)(5)		
Sales and marketing.....	234,035	214,546
Research and development.....	130,271	114,191
General and administrative.....	65,661	63,153
Restructuring charges.....	7,909	-
Total.....	<u>437,876</u>	<u>391,890</u>
Income from operations.....	<u>114,151</u>	<u>117,748</u>
Other expense, net.....	(2,431)	(683)
Income before income taxes.....	<u>111,720</u>	<u>117,065</u>
Provision for income taxes.....	18,161	29,387
Net income.....	<u>\$ 93,559</u>	<u>\$ 87,678</u>
Net income per share - basic.....	<u>\$ 1.54</u>	<u>\$ 1.43</u>
Weighted average shares - basic.....	<u>60,810</u>	<u>61,440</u>
Net income per share - diluted.....	<u>\$ 1.51</u>	<u>\$ 1.41</u>
Weighted average shares - diluted.....	<u>61,882</u>	<u>62,282</u>
<b>Non-GAAP Financial Measures</b>		
Net income as reported.....	\$ 93,559	\$ 87,678
Acquisition-related write-downs of assumed deferred revenue.....	-	1,283
Stock-based compensation expense.....	63,757	58,069
Amortization and impairment of purchased intangible assets.....	19,437	10,706
Facility-exit costs.....	2,742	1,336
Acquisition-related charges.....	16,891	17,665
Restructuring charges.....	7,909	-
Tax effects related to above items.....	(25,264)	(15,273)
Net income excluding acquisition-related write-downs of assumed deferred revenue, stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges and restructuring charges (non-GAAP) - diluted.....	<u>\$ 179,031</u>	<u>\$ 161,464</u>
Net income per share excluding acquisition-related write-downs of assumed deferred revenue, stock-based compensation expense, amortization and impairment of purchased intangible assets, facility-exit costs, acquisition-related charges and restructuring charges (non-GAAP) - diluted.....	<u>\$ 2.89</u>	<u>\$ 2.59</u>
Weighted average shares - diluted.....	<u>61,882</u>	<u>62,282</u>
(1) GAAP net product revenues.....	\$ 343,149	\$ 288,045
Acquisition-related write-downs of assumed deferred revenue.....	-	1,283
Non-GAAP net product revenues.....	<u>343,149</u>	<u>289,328</u>
GAAP net service revenues.....	343,951	336,572
Acquisition-related write-downs of assumed deferred revenue.....	-	-
Non-GAAP net service revenues.....	<u>343,951</u>	<u>336,572</u>
Total non-GAAP net revenues.....	<u>\$ 687,100</u>	<u>\$ 625,900</u>
(2) Includes stock-based compensation expense as follows:		
Cost of net revenues.....	\$ 7,545	\$ 7,342
Sales and marketing.....	26,753	25,243
Research and development.....	18,583	14,987
General and administrative.....	10,876	10,497
	<u>\$ 63,757</u>	<u>\$ 58,069</u>
(3) Includes amortization and impairment of purchased intangible assets as follows:		
Cost of net revenues.....	\$ 9,959	\$ 7,382
Sales and marketing.....	8,915	2,749
General and administrative.....	563	575
	<u>\$ 19,437</u>	<u>\$ 10,706</u>
(4) Includes facility-exit costs as follows:		
Cost of net revenues.....	\$ 482	\$ 172
Sales and marketing.....	749	406
Research and development.....	912	334
General and administrative.....	599	424
	<u>\$ 2,742</u>	<u>\$ 1,336</u>
(5) Includes acquisition-related charges as follows:		
Cost of net revenues.....	\$ 87	\$ 2,490
Sales and marketing.....	6,164	4,771
Research and development.....	5,994	4,393
General and administrative.....	4,646	6,011
	<u>\$ 16,891</u>	<u>\$ 17,665</u>